

## **TYPES OF PROPERTIES ELIGIBLE FOR A BUDGET BASED RENTAL ADJUSTMENT**

### **Properties that have not renewed their HAP contract since 1997:**

The following types of Project Based Section 8 Properties that have **NOT** yet renewed their contract under the Multifamily Assisted Housing Reform and Affordability Act (MAHRA), as established by HUD in 1997, may be eligible for a Budget Based Rental Adjustment:

- 202
- 236
- 221 (d)(4)

The rent effective date for contracts that have **NOT** been renewed under MAHRA, will be implemented at least 30 days after the owner has concluded the tenant comment period and submitted the “Owner’s Certification to Compliance with the Tenant Comment Procedures” form. MHFA will focus on processing budgets within 60 days of the receipt of the request. Therefore, properties are encouraged to forward the budget and various requirements on the same date that the notice is posted to tenants. The budget based rent adjustment request can be submitted at anytime. Reference the submission checklist and deadline form or Chapter 7 of the HUD Handbook for the submission requirements.

### **Properties that have renewed their HAP contract since 1997:**

Project Based Section 8 Properties that **HAVE** renewed their contract under (MAHRA), as established by HUD in 1997 may be eligible for a Budget Based Rental Adjustment in conjunction with their contract or multi-year funding renewal. Such eligibility depends on the contract renewal option that the property selected:

- Option 2
- Option 4
- Option 5 *(depending on the provision in the Plan of Action agreement between the property and HUD)*

If eligible, the property can request a budget-based rental adjustment in conjunction with their contract or funding renewal. The due date for the budget packet and renewal documents is 120 days prior to the contract expiration date. Late submissions will likely result in a delay of the HAP payment. Reference the submission checklist and deadline form or Chapter 7 of the HUD Handbook for the submission requirements.

*Please note: MHFA does not intend this to be an all-inclusive list of federal requirements. Please review the HUD Handbook, 4350.1 Chapter 7, and/or the Section 8 Renewal Guidebook to gain a full understanding of all requirements.*

